

DIVIDEND REINVESTMENT PLAN

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PENGANA INTERNATIONAL EQUITIES LIMITED (ASX: PIA)

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DIVIDEND REINVESTMENT PLAN

1 PARTICIPATION IN THE PLAN

Participation in the Pengana International Equities Limited Dividend Reinvestment Plan (**Plan**) is optional and open to all holders of Shares (**Shareholders**) in Pengana International Equities Limited (**Company**) except as provided in these Terms and Conditions.

Level of participation in the Plan is optional and may be either “full” or “partial” (see **clause 3**).

Participation in the Plan and the right to take up Shares is not transferable.

Any Shareholder may at any time elect to participate in the Plan.

Before each Dividend Payable the Company will give each Shareholder who has not previously been given an opportunity to participate in the Plan, an opportunity to do so.

The Company will give each eligible, non-participating Shareholder an opportunity to participate in the Plan in respect of future Dividends Payable, with their future dividend notices.

A Shareholder who is subject to the laws of a country or place other than Australia may not be eligible to participate in the Plan because of legal requirements that apply in that country or place.

Allotment of shares to Shareholders who are not resident in Australia at the time of allotment will be subject to all necessary government approvals. It is the responsibility of each Shareholder to obtain any such approvals.

Before electing to participate in the Plan Shareholders who are not resident in Australia should seek professional advice to ascertain if any restrictions apply.

The Directors of the Company may determine at any time that the right to participate in the Plan will not be available to Shareholders whose registered addresses are in a country or place where, in the absence of a registration scheme or other formality, the offer of a right to participate would or might be unlawful.

The Company may terminate, vary, suspend or withdraw Shares from participating in the Plan if the Directors in their absolute discretion determine that participation in the Plan by a Participant is illegal, impossible or impracticable.

Any Participant may vary or terminate their participation in the Plan at any time subject to the provisions of this Plan.

2 APPLICATION TO PARTICIPATE

Application to participate in the Plan must be made on the prescribed Election Form.

Upon receipt by the Company of the Election Form correctly completed, a Shareholder will, subject to **clause 13**, participate in the Plan commencing on the next appropriate dividend.

By applying to participate in the Plan a Shareholder agrees to be bound by the Constitution of the Company in respect of all Shares allotted to the Shareholder under the Plan.

An agreement on these Terms and Conditions between the Company and each Participant for participation is made when the Company accepts an Election Form in respect of the Plan from the applicant.

The Company has an absolute discretion to refuse to admit a Shareholder to the Plan without giving reasons, but will notify the Shareholder as soon as practicable after its decision.

An Election Form remains in force unless varied or terminated by that Participant.

3 DEGREE OF PARTICIPATION

Participation may be either “full” or “partial”.

Full participation will apply to Dividends Payable on all the Participant’s Shares including:

- Shares held at the time of the Shareholder’s application to participate in the Plan;
- Shares subsequently allotted under the Plan;
- bonus Shares subsequently allotted (if any);
- Shares subsequently allotted pursuant to a rights issue (if any); and
- Shares subsequently otherwise acquired by the Shareholder.

Partial participation will apply to the total, from time to time, of the number of Shares specified in the Election Form by the Shareholder and the Shares allotted to the Shareholder under the Plan.

However, if at the relevant Record Date the number of Shares held by the Participant is less than the nominated number of Shares, then the provisions of the Plan in respect of that dividend payment will apply to all Shares held.

If a signed Election Form does not indicate the degree of participation, it will be deemed to be an application for full participation.

4 OPERATION OF THE PLAN

The amount of each Dividend Payable to a Participant on Shares subject to the Plan (less withholding tax if applicable) will be applied by the Company on the Participant's behalf in subscription for additional Shares.

If the Shares are not quoted on the ASX the subscription price for Shares allotted under the Plan will be the market value as determined by an independent valuer appointed by the Company having regard to the audited accounts of the Company for the financial year ended 30 June of the previous year in which the relevant dividend is declared. If the Shares are quoted on the ASX, subscription price for Shares allotted under the Plan will be the weighted average sale price of all Shares in the Company sold on the ASX during the five trading days commencing on and including the relevant Record Date, less a discount not exceeding 10% as determined by the Directors from time to time, rounded to the nearest full cent.

With respect to each dividend payable to a Participant the Company will:

- determine the amount of the Dividend Payable to the Participant in respect of or by reference to their Shares subject to the Plan;
- determine (where applicable) the Australian withholding tax with respect to the Dividend Payable;
- determine the maximum number of Shares, priced in accordance with this clause 4, which could be acquired by using the amount of the Dividend Payable to the Participant, rounded up to the next whole Share.
- on behalf and in the name of the Participant, apply the total amount of the Dividend Payable (less withholding tax if applicable) to the Participant to acquire the additional Shares calculated in accordance with this clause 4; and
- allot and issue that number of additional Shares to the Participant.

5 SHARES ALLOTTED UNDER THE PLAN

Shares allotted under the Plan will, subject to the Constitution of the Company, from the date of allotment, rank equally in all respects with all other Shares in the Company.

Shares allotted under the Plan will be allotted on or as soon as practicable after the dividend payment date and, if the Company's shares are quoted on the ASX, within the time specified in the listing requirements of the ASX.

Shares allotted under the Plan will be registered on the register where the Participant already holds Shares or, where the Participant holds Shares on more than one register, on the register upon which the Participant's largest shareholding is held.

6 COST TO PARTICIPANTS

No brokerage, commission or other transaction costs will be payable by a Participant on Shares allotted under the Plan.

Stamp or other duties under present law, will not be payable by a Participant on shares allotted under the Plan.

7 PLAN STATEMENTS

A Plan Statement will be issued to each Participant following each dividend payment providing the following information:

- the number of their Participating Shares in the Plan at the Record Date;
- the amount per Share applied to the purchase of Shares under the Plan;
- the number of Shares allotted under the Plan and their date of issue; and
- the franked amount (if any) of the dividend payable and the imputation tax credit (if any) attaching to it.

8 VARIATION OR TERMINATION OF PARTICIPATION

A Participant may at any time give notice to the Company:

- increasing or decreasing the number of Shares participating in the Plan; or
- terminating participation in the Plan.

The notice of alteration or termination must be in accordance with the Election Form and will, subject to clause 13, take effect commencing on the next Record Date after receipt by the Company.

If a Participant dies or becomes bankrupt, the participation of that Participant and any other Participant with whom the deceased or bankrupt shareholder was a joint shareholder will be terminated upon receipt by the Company of notice of the death or bankruptcy, as the case may be.

Upon termination of the participation of a Participant for any reason, the Company will, unless otherwise directed, send to the Participant, the legal representative of a deceased participant or the person having authority over the estate of a bankrupt participant, as applicable, a Plan Statement made out to the date of termination.

9 REDUCTION OR TERMINATION OF PARTICIPATION WHERE NO NOTICE IS GIVEN

Where a Part Participant disposes of part of their Shares then, unless the Participant advises the Company otherwise, the Shares disposed of will be deemed to be Shares not participating in the Plan.

If the number of Shares disposed of is greater than the number of the Part Participant's Shares not participating in the Plan, then, unless the Participant advises the Company otherwise, the disposal will be deemed to include:

- firstly, all the Participant's Shares not participating in the Plan; and
- secondly, as to the balance of the disposal, part of the Participant's Shares participating in the Plan.

10 MODIFICATION AND TERMINATION OF THE PLAN

The directors of the Company may at any time resolve to:

- vary the Plan and any agreement relating to it; or
- terminate or suspend the operation of the Plan.

Participants will be notified in writing of any such variation, termination or suspension.

In the case of a variation, it will be deemed that existing Participants will continue under the Plan as varied unless the Company is notified to the contrary by the prescribed Election Form in accordance with clause 13.

In the case of termination, the Company will send to each Participant a Plan Statement.

Any variation, termination or suspension will:

- be effective from the date of the resolution or otherwise as determined by the Directors;
- not give rise to any liability on the part of, or right of action against, the Company.

11 FURTHER ACQUISITION OF SHARES

11.1 Subject to prior notice in accordance with clause 13, any further Shares acquired (by whatever means) by a Full Participant will automatically become Shares subject to the Plan on being registered in their name.

11.2 Subject to prior notice in accordance with clause 13, all Shares issued to a Part Participant pursuant to the Plan will be deemed to be subject to the Plan.

11.3 Subject to clause 11.2, all other Shares acquired by a Part Participant will not be subject to the Plan, unless prior notice in accordance with clause 13 is delivered to the Company.

12 STOCK EXCHANGE LISTING

If the Company is listed and its shares quoted on the ASX, the Company will promptly make application for shares allotted under the Plan to be listed for quotation on the ASX.

13 APPLICATIONS AND NOTICES

Applications and notices to the Company must be in writing and in accordance with the Election Form. Such applications and notices will be effective upon receipt by the Company subject to:

- these Terms and Conditions;
- in the case of applications, acceptance by the Company; and
- receipt by the Company by not later than 5.00 pm on the business day following relevant Record Date.

Applications or notices received after 5.00 pm on the business day following Record Date for a Dividend Payment will not be effective for that Dividend Payment but will be effective commencing on the next relevant Record Date.

14 TAXATION

The Company does not and will not assume liability for any taxes or other imposts assessed against or imposed upon a Participant.

The Company does not represent or warrant that a Participant will gain any taxation advantage or will not incur a taxation liability or disadvantage by participating in the Plan.

As individual circumstances and laws vary considerably, specific taxation advice should be obtained by each Participant, if required.

15 LIMITATION OF LIABILITY

The Company will not be liable or responsible to any Participant for any loss or alleged loss or disadvantage suffered or incurred by any Participant as a result, directly or indirectly:

- of the establishment or operation of the Plan; or
- their participation in the Plan; or
- in relation to any advice given with respect to participation in the Plan.

16 GENERAL

The Plan and its operation and the Terms and Conditions will be governed by the laws of New South Wales.

The accidental omission to give notice of modification, suspension or termination to or the non-receipt of any notice by any Shareholder will not invalidate the modification, suspension or termination of the Plan.

The Company reserves the right to waive strict compliance with any of the provisions of these Terms and Conditions.

The Company will determine all appropriate procedures for administration of the Plan consistent with the provisions of these Terms and Conditions.

The Company will have the right to resolve conclusively all questions of fact or interpretation in connection with the Plan.

17 DEFINITIONS

17.1 In this Charter, unless the context otherwise indicates:

TERM	DEFINITION
ASX	means ASX Limited.
Company	means Pengana International Equities Limited.
Dividend Payable	means a dividend declared by the Directors of the Company with respect to the Shares.
Election Form	means the form from time to time approved by the Directors of the Company by which a Shareholder applies to join the Plan and also by which a Participant applies to vary the level of or withdraw from participation in the Plan.
Full Participant	means a Participant who for the time being participates in the Plan in respect of all the Shares registered in their name.
Part Participant	means a Participant who for the time being participates in the Plan in respect of some, but not all the Shares registered in their name.
Participant	means a Shareholder who elects to participate in the Plan subject to these Terms and Conditions.
Participating Share	means a Share which has become subject to the Plan.
Plan	means this Pengana International Equities Limited Dividend Reinvestment Plan.
Plan Statement	means a separate statement prepared by the Company in respect of each Dividend Payable and providing the information outlined in these Terms and Conditions.
Record Date	means in relation to a Dividend Payable, the time and date upon which the Share Register is closed for the determination of entitlements to that dividend.
Share	means an issued and fully paid ordinary share in the capital of the Company.
Share Register	means a register of members of the Company.
Terms and Conditions	means the terms, provisions and conditions of the Plan as amended and varied from time to time.

17.2 Interpretation

In these Terms and Conditions unless the context otherwise requires:

- reference to a person includes any other entity recognised by law and vice versa;
- the singular includes the plural and vice versa;
- words importing one gender include every gender;
- any reference to any of the parties by their defined terms includes that party's executors, administrators or permitted assigns or, being a company, its successors or permitted assigns;

- an agreement, representation, or warranty on the part of two or more persons binds them jointly and severally;
- clause headings are for reference purposes only.